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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 24, 2014

Rick Havenstrite
Desert Hawk Gold Corporation
7115 North Division Street, Suite B #351
Spokane, Washington 99208

Subject: Acceptance of Pages 2 and 9, BLM Record of Decision and Environmental Assessment, Desert Hawk Gold Corporation, Kiewit Project Mine, M/045/0078, Tooele County, Utah

Dear Mr. Havenstrite:

The Division of Oil, Gas and Mining accepts pages 2 and 9 of the text portion of the Notice of Intention to Commence Large Mining Operations (NOI) which were received January 16, 2014. The Division will stamp these pages approved and return a copy of the stamped NOI when final approval is given after the reclamation surety has been received, but copies of these pages stamped with the received date are enclosed. Thank you for the including form MR-REV with this submittal.

The Bureau of Land Management's Record of Decision (ROD) and Environmental Assessment (EA) were also submitted and will be incorporate into the NOI after certain clarification is received (see below).

Certain items in the Notice of Intention and associated documents need to be completed before the Division issues final approval.

1. Please clarify how the ROD and EA will be included in the NOI. The table of contents in the NOI indicates these documents could be in Appendix XIV, XVII and XXIV or in all three of these locations. It only needs to be included once. Please submit an additional copy which will be placed in the operator's NOI and returned upon final approval.
2. Place holders in the NOI include the Tooele County Conditional Use Permit and the DEQ Construction Permit.
3. The Division will need concurrence from the BLM for the amount of the reclamation surety.
4. Submittal of the reclamation surety.
5. Submittal of a completed reclamation contract (form MR-RC).

There will also be certain conditions when final approval is issued.

1. Mining at the Clifton Shears will not exceed 20 feet in depth until additional rock characterization has been completed.

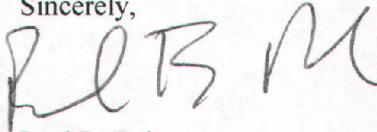


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2. No mining may be done at the Yellow Hammer until rock characterization has been completed.
3. Mining at the Kiewit will include rock characterization as committed to in the Notice of Intention.
4. Backfilling and grading reclamation bond monies will not be released until the heap leach draw down has been completed.

Please call Leslie Heppler at 801-538-5257 or me at 801-538-5261 if you have any questions regarding this letter. In reply, please refer to file number M/045/0078. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', written over the word 'Sincerely,'.

Paul B. Baker
Minerals Program Manager

PBB: lah: eb

cc: Keith Moeller keith@cliftonmining.com
Stephen Allen, BLM SAllen@blm.gov
Mark Novak, DEQ MNovak@utah.gov

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